

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
FINAL UTILITY ORDERS
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In the Matter of the Review of:

DOCKET NO. UT-023003

Unbundled Loop and Switching
Rates; the Deaveraged Zone Rate
Structure; and Unbundled Network
Elements, Transport, and
Termination (Recurring costs)

TWENTY-SEVENTH SUPPLEMENTAL
ORDER DENYING PETITIONS FOR
RECONSIDERATION AND GRANTING
REQUESTS FOR CLARIFICATION OF
THE TWENTY-FOURTH
SUPPLEMENTAL ORDER

The Commission's decision to accord reduced weight to the two cost models presented in this case sends a signal to the parties that cost models must meet the Commission's criteria of openness and must be capable of verification. ¶¶ 27-32; §§ 251, 252, *Telecom Act of 1996*.

The Commission may not reject a flawed cost model in its entirety when the alternative is acceptance of another flawed cost model. ¶ 28, *Id.*

The Commission must determine Unbundled Network Element (UNE) rates that are just, reasonable, nondiscriminatory, and cost-based, in accord with the Total Element Long Run Incremental Cost (TELRIC) standard. In performing its regulatory role, the Commission is not confined to choosing

from among the parties, unreasonable rate proposals when, in the Commission's judgment, another reasonable option is available. ¶ 64; *Id.*

In adjusting cost models to determine appropriate UNE rates, the Commission relies on consistent assumptions, such as the consistent use of a forward-looking approach to cost development. ¶ 29; *Id.*

In determining UNE rates, the Commission relies on TELRIC methodology, which requires an assumption that the incumbent carrier's telephone network will be completely rebuilt to incorporate currently available efficient technology at the lowest cost. ¶ 96; *Id.*

Sections 252(d)(1) and 252(d)(2), addressing switching and call termination respectively, allow the Commission to establish different rates for each of the two functions because the statutory provisions identify different cost standards. ¶ 138; *Id.*